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August 11, 1999

VIA FACSIMILE (360) 693-1777

David W. Christel, Esq.
Blair Schaefer Hutchison & Wolfe LLP
105 West Evergreen Boulevard
Post Office Box 1148
Vancouver, Washington 98666-1148

Re: Purchase and Sale Agreement (the "Contract") between BC Real Estate Investments, Inc., a Delaware corporation ("Seller") and Columbia Community Credit Union, a Washington non-profit corporation ("Buyer") for Property Located at 11505-A NE Fourth Plain Road, Vancouver, Washington (the "Property"), BCI Store No. 588

Dear David:

As you know, Riverview Community Bank ("Riverview") has filed an adversary proceeding (adversary proceeding no. 99-00496-CGC) with the United States Bankruptcy Court, District of Arizona (the "Court") naming Buyer and Seller as parties and, seeking to obtain a judgment declaring that an unrecorded financial institution restriction benefiting Riverview (the "Restriction") is enforceable. Buyer and Seller believe that the Restriction is not enforceable. Buyer properly objected to the Restriction prior to the expiration of the Inspection Period under the Contract in order to preserve its rights to terminate the Contract in the event that the Restriction is in fact enforceable. To date, the Parties have extended the Permit Period under the Contract through August 11, 1999 in order to allow Buyer and Seller to attempt to obtain an order from the Court confirming that the sale of the Property is free and clear of the Restriction. The Court has not yet ruled on the enforceability of the Restriction.

On August 3, 1999, RTM Portland, Inc. ("RTM") filed a motion with the Court (the "RTM Motion") requesting that the Court require Seller to declare Buyer in default of its obligations to complete the purchase of the Property in accordance with the Contract, and permitting RTM the opportunity as the successful backup bidder to complete the purchase of the Property. The Seller believes that the Court will likely hear the RTM Motion on August 24, 1999.

Therefore, this letter will confirm that the Buyer and Seller have agreed to extend the Permit Period under the Contract from August 11, 1999 to the date after the Court rules on the RTM Motion and such ruling is final and non-appealable. If the Court rules that Buyer is in default of its obligations to complete the purchase of the Property in accordance with the Contract, and permits

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RTM the opportunity as the successful backup bidder to complete the purchase of the Property, then the Contract shall terminate, the Deposit and the Additional Deposit shall be returned to Buyer, and neither party shall have any further right or obligation under the Contract. If however, the Court rules that Buyer is not in default of its obligations to complete the purchase of the Property in accordance with the Contract, and permits the Parties to amend the Contract to allow Buyer to attempt to obtain an order from the Court confirming that the sale of the Property is free and clear of the Restriction, then the Parties shall enter into the Second Amendment to Purchase and Sale Agreement attached hereto as Exhibit A. Any capitalized terms not defined herein shall have the meaning ascribed to such terms in the Contract.

Please acknowledge the Buyer's concurrence with the extension of the Permit Period and the terms contained herein by obtaining your client's signature below. Thanks for your continued cooperation on this matter.

Sincerely,

BROWNSTEIN HYATT & FARBER, P.C.


Gregory A. Vallin

GAV/cak

APPROVED, AGREED AND ACCEPTED THIS 11th day of August, 1999.

COLUMBIA COMMUNITY CREDIT UNION

By: 

Name:

DAVID W. CHRISTEL

Title:

ATTORNEY

cc: Feder Kruger (via facsimile (303) 216-5622)
Randy Miller, Esq. (via facsimile (303) 216-5339)
Aida L. Baez

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement (this "Second Amendment") is made effective as of this _____ day of August, 1999, by and between COLUMBIA COMMUNITY CREDIT UNION, a Washington Non-profit Corporation ("Buyer"), and BC REAL ESTATE INVESTMENTS, INC., a Delaware corporation ("Seller").

WITNESSETH:

WHEREAS, Seller owns that certain real property consisting of approximately 38,751 square feet located at 11505-A N.E. Fourth Plain Road, Vancouver, Washington, together with a building of approximately 3,361 square feet and all other improvements thereon (collectively, the "Real Property"); and,

WHEREAS, Buyer and Seller entered into that certain Purchase and Sale Agreement effective April 7, 1999, as amended by virtue of that certain First Amendment to Purchase and Sale Agreement dated April 15, 1999 ("First Amendment"), as further amended by the letter agreements dated July 21, 1999, July 28, 1999, July 30, 1999, and August 11, 1999, with respect to the purchase and sale of all of Seller's right, title, and interest in and to the Real Property. The Purchase and Sale Agreement, as amended, may hereinafter be collectively referred to as the "Agreement"; and

WHEREAS, an amended order was entered by the United States Bankruptcy Court, District of Arizona (the "Court") on April 27, 1999 authorizing Seller to sell the Real Property to Buyer for a total cash purchase price of \$1,115,000, and such order became non-appealable on or about May 7, 1999; and

WHEREAS, in accordance with the Agreement, prior to the expiration of the Inspection Period, Buyer notified Seller in writing that it had learned that an unrecorded restriction prohibiting the use of the Real Property by a financial institution may encumber the Real Property (the "Restriction"); and

WHEREAS, Buyer previously waived prior to the expiration of the Inspection Period, the Inspection Period contingency with the exception of its objection to the Restriction; and

WHEREAS, Riverview Community Bank, the purported beneficiary of the Restriction, has filed an adversary proceeding (adversary proceeding no. 99-00496-CGC) (the "Lawsuit") with the Court naming Buyer and Seller as parties, and seeking to obtain a judgment declaring the Restriction to be enforceable; and

WHEREAS, subject to the terms of this Agreement, Buyer has agreed (i) to attempt to obtain an order from the Court confirming that the sale of the Real Property to Buyer is free and clear of the Restriction, and (ii) to undertake with the cooperation and joinder of Seller, the common interest defense of the Lawsuit in a joint effort to obtain a Restriction Rejection Order described below, which will include but not be limited to ensuring that an answer, counterclaim, motion for summary

judgment, and any other necessary or appropriate responsive pleadings to the Lawsuit are filed on behalf of Seller and Buyer in connection with their common interests. Seller has agreed to cooperate with Buyer with respect to the foregoing; and

WHEREAS, Buyer and Seller previously agreed to extend the Permit Period contingency until August 25, 1999; and

WHEREAS, Buyer has agreed to waive all Conditions set forth in the Agreement, with the exception that Buyer's obligations will be contingent upon Buyer's ability to obtain a final, non-appealable order from the Court confirming that the sale of the Real Property to Buyer is free and clear of the Restriction; and

WHEREAS, Buyer and Seller have agreed to extend the Inspection Period solely for the purpose of allowing Buyer sufficient time to obtain a final, non-appealable order from the Court confirming that the sale of the Real Property to Buyer is free and clear of the Restriction; and

WHEREAS, the parties have agreed to increase the Purchase Price of the Real Property by Thirty Five Thousand and 00/100 Dollars (\$35,000.00), and to amend the Agreement as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby confessed and acknowledged, Buyer and Seller do hereby amend the Agreement as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated herein by this reference.

2. **Capitalized Terms.** Capitalized terms used herein, unless otherwise expressly defined herein, shall have the same definitions set forth in the Agreement.

3. **Purchase Price.** Section 3 of the Agreement shall be deleted in its entirety, and replaced with the following:

"PURCHASE PRICE. The Real Property purchase price is One Million One Hundred Fifty Thousand and No/100 Dollars (\$1,150,000.00) ("**Purchase Price**"). The Purchase Price shall be paid at Closing (hereafter defined) by cashier's check, certified check or by wire transfer of immediately available funds to Escrow Agent ("**Good Funds**")."

4. **Waiver of Conditions.** Buyer hereby waives any and all Conditions set forth in the Agreement, with the exception that Buyer's obligations under the Agreement, as amended hereby, shall be expressly contingent upon Buyer's ability to obtain a final, non-appealable order from the Court confirming that the sale of the Real Property to Buyer is free and clear of the Restriction (the "**Restriction Rejection Order**").

5. Extension of Inspection Period. Notwithstanding anything to the contrary in Section 6 of the Agreement, the Inspection Period is hereby extended for the sole purpose of allowing Buyer sufficient time to obtain the Restriction Rejection Order. The Inspection Period, as extended, shall expire on the date following the date that the Restriction Rejection Order has been obtained.

6. Buyer's Duty to Defend. Buyer shall take the lead role in attempting to obtain the Restriction Rejection Order, which shall include an obligation by Buyer to undertake with the cooperation and joinder of Seller, the common interest defense of the Lawsuit in a joint effort to obtain the Restriction Rejection Order described below, which will include but not be limited to ensuring that an answer, counterclaim, motion for summary judgment, and any other necessary or appropriate responsive pleadings to the Lawsuit are promptly filed on behalf of Seller and Buyer in connection with their common interests, following Seller's approval of such pleadings as set forth below.

7. Seller's Cooperation. Seller shall cooperate with Buyer's efforts to obtain the Restriction Rejection Order. Such cooperation shall include but not be limited to reviewing and commenting on, or approving, any pleadings to be filed on Seller's behalf within 48 hours after receipt of the same from Buyer or Buyer's counsel, and Seller's assertion of any and all rights under the Bankruptcy Code, including but not limited to the rights under Section 544 and Section 363.

8. Deposit and Additional Deposit.

- a. Deposit. Buyer has previously deposited with the Escrow Agent the sum of Fifty Five Thousand Seven Hundred Fifty and 00/100 Dollars (\$55,750.00) (the "Deposit"). The Deposit is nonrefundable to Buyer unless (i) Seller is in default under the Agreement, or this Second Amendment or (ii) the Buyer is unable to obtain the Restriction Rejection Order by January 31, 2000 (the "Outside Date"), and in any of such events, the Deposit shall be refunded to Buyer, the Agreement shall terminate, and neither party shall have any further right or obligation under the Agreement, as amended.
- b. Additional Deposit. In addition to the Deposit, Buyer has previously deposited with the Escrow Agent the sum of Fifteen Thousand and 00/100 Dollars (\$15,000.000) (the "Additional Deposit") in consideration of the previous extensions to the Permit Period, as provided in Section 7 of the Agreement. Upon the execution of this Second Amendment, Buyer and Seller agree that the Additional Deposit shall be nonrefundable to Buyer unless Seller is in default under the Agreement, or this Second Amendment, and in such event, the Additional Deposit shall be refunded to Buyer, the Agreement shall terminate, and neither party shall have any further right or obligation under the Agreement, as amended. The Additional Deposit shall not be refunded to Buyer as a result of the inability of Buyer to obtain the Restriction Rejection Order by the Outside Date.

9. **Closing.** Notwithstanding anything else contained in Section 12 of the Agreement to the contrary, the Closing shall occur within seven (7) days after the expiration of the Inspection Period as set forth in Section 5 above.

10. **Termination.** Notwithstanding anything else contained in the Agreement or this Second Amendment to the contrary, Seller shall have the right, from and after the seventh day following the Outside Date, to terminate the Agreement, as amended by this Second Amendment, if Closing has not occurred for any reason or no reason whatsoever, other than a default by Seller under the Agreement or this Second Amendment. If Seller elects to so terminate the Agreement, then the Deposit shall be refunded to Buyer, the Agreement shall terminate and neither party shall have any further right or obligation under the Agreement. The Additional Deposit shall not be refunded to Buyer under any circumstances including a termination of the Agreement, as amended, pursuant hereto.

11. **Ratification of Agreement.** All terms and conditions of the Agreement are hereby ratified and affirmed, as modified by this Second Amendment. The terms and provisions of this Second Amendment shall be controlling over any terms and provisions in the Agreement that are inconsistent with this Second Amendment.

12. **Counterparts.** This Second Amendment may be executed in counterparts each of which will be deemed an original and both of which together, shall be deemed to constitute one and the same document. Each of the parties hereto shall be entitled to rely upon a counterpart of the Second Amendment executed by the other party and sent by facsimile transmission.

[Remainder of Page Intentionally Left Blank]

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

BCI Store No. 588, Vancouver, Washington.

IN WITNESS WHEREOF, this Second Amendment has been executed as set forth below.

SELLER:

BC REAL ESTATE INVESTMENTS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____
Date: _____
Taxpayer ID Number: _____

BUYER:

COLUMBIA COMMUNITY CREDIT UNION,
a Washington non-profit corporation

By: _____
Name: _____
Title: _____
Date: _____
Taxpayer I.D. Number: _____

Acknowledged and agreed to by Escrow Agent:

First American Heritage Title Company

By: _____
Name: _____
Title: _____
Date: _____